

DRAFT
Subject to Legal Review for Clarity and Consistency

**U.S. B Singapore Free Trade Agreement
Text of the Agreement**

This file contains text that is subject to modification and the legal scrubbing process.

DRAFT
Subject to Legal Review for Clarity and Consistency

DRAFT
Subject to Legal Review for Clarity and Consistency

CHAPTER 17
LABOR

Article 17.1 : Statement of Shared Commitment

1. The Parties reaffirm their obligations as members of the International Labor Organization (AIILO@) and their commitments under the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up.¹⁷⁻¹ Each Party shall strive to ensure that such labor principles and the internationally recognized labor rights set forth in Article 17.7 are recognized and protected by domestic law.
2. Recognizing the right of each Party to establish its own domestic labor standards, and to adopt or modify accordingly its labor laws and regulations, each Party shall strive to ensure that its laws provide for labor standards consistent with the internationally recognized labor rights set forth in Article 17.7 and shall strive to improve those standards in that light.

Article 17.2 : Application and Enforcement of Labor Laws

1.
 - (a) A Party shall not fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the Parties, after the date of entry into force of this Agreement.
 - (b) The Parties recognize that each Party retains the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor matters determined to have higher priorities. Accordingly, the Parties understand that a Party is in compliance with sub-paragraph (a) where a course of

¹⁷⁻¹ The Parties recall that paragraph 5 of this ILO Declaration states that labor standards should not be used for protectionist trade purposes.

DRAFT
Subject to Legal Review for Clarity and Consistency

action or inaction reflects a reasonable exercise of such discretion, or results from a *bona fide* decision regarding the allocation of resources.

2. The Parties recognize that it is inappropriate to encourage trade or investment by weakening or reducing the protections afforded in domestic labor laws. Accordingly, each Party shall strive to ensure that it does not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such laws in a manner that weakens or reduces adherence to the internationally recognized labor rights referred to in Article 17.7 as an encouragement for trade with the other Party, or as an encouragement for the establishment, acquisition, expansion or retention of an investment in its territory.

Article 17.3 : Procedural Guarantees and Public Awareness

1. Each Party shall ensure that persons with a legally recognized interest under its law in a particular matter have appropriate access to administrative, quasi-judicial, judicial or labor tribunals for the enforcement of the Party's labor laws.

2. Each Party shall ensure that its administrative, quasi-judicial, judicial or labor tribunal proceedings for the enforcement of its labor laws are fair, equitable and transparent.

3. Each Party shall provide that the parties to such proceedings may seek remedies to ensure the enforcement of rights under domestic labor laws.

4. Each Party shall promote public awareness of its labor laws.

Article 17.4 : Institutional Arrangements

1. The functions of the Joint Committee established under Chapter 20 shall include discussion of matters related to the operation of this Chapter, including the Labor Cooperation Mechanism established under Article 17.5, and the pursuit of the labor objectives of this Agreement. The Joint Committee may establish a Subcommittee on Labor Affairs consisting of officials of the labor ministry and other appropriate agencies or ministries of each Party to meet at such times as they deem appropriate to discuss matters related to the implementation of this Chapter. Each meeting of the Subcommittee shall include a public session, unless the Parties agree otherwise.

2. Each Party shall designate an office within its labor ministry that shall serve as a contact point with the other Party, and with the public, for purposes of implementing this Chapter.

DRAFT
Subject to Legal Review for Clarity and Consistency

3. Each Party may convene a national labor advisory committee, comprising members of its public, including representatives of its labor and business organizations and other persons, to advise it on the implementation of this Chapter.
4. Each formal decision of the Parties concerning implementation of this Chapter shall be made public, unless the Parties decide otherwise.
5. Each Party's contact point designated under paragraph 2 shall provide for the submission, receipt, and consideration of public communications on matters related to provisions of this Chapter, and shall make such communications available to the other Party and, as appropriate, to the public. Each Party shall review such communications, as appropriate, in accordance with domestic procedures. The Parties, when they consider it appropriate, shall jointly prepare reports on matters related to the implementation of this Chapter, and shall make such reports public.

Article 17.5 : Labor Cooperation

Recognizing that cooperation provides enhanced opportunities to promote respect for core labor standards embodied in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up and compliance with ILO Convention 182 Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, and to further advance other common commitments, the Parties establish a Labor Cooperation Mechanism, as set out in Annex 17A to this Chapter.

Article 17.6 : Labor Consultations

1. A Party may request consultations with the other Party regarding any matter arising under this Chapter. Unless the Parties otherwise agree, consultations shall commence within 30 days of a Party's delivery of a request for consultations to the other Party's contact point designated pursuant to Article 17.4.2.
2. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of the matter and may seek advice or assistance from any person or body they deem appropriate.
3. If the consultations fail to resolve the matter, either Party may request that the Subcommittee on Labor Affairs be convened. The Subcommittee shall convene within 30 days

DRAFT
Subject to Legal Review for Clarity and Consistency

of a Party's delivery of a request for consultations to the other Party's contact point designated pursuant to Article 17.4.2,¹⁷⁻² unless the Parties otherwise agree. The Subcommittee shall endeavor to resolve the matter expeditiously, including, where appropriate, by consulting governmental or outside experts and having recourse to such procedures as good offices, conciliation, or mediation.

4. If a Party considers that the other Party has failed to carry out its obligations under Article 17.2.1(a), the Party may request consultations pursuant to Article 20.4.2(a) (Additional Dispute Settlement Procedures) of Chapter 20 (Administration and Dispute Settlement) or under paragraph 1 of this Article.

- (a) If a Party requests consultations pursuant to Article 20.3.2(a) at a time when the Parties are engaged in consultations on the same matter under paragraph 1 of this Article or the Subcommittee is endeavoring to resolve the matter under paragraph 3, the Parties shall discontinue their efforts to resolve the matter under this Article. Once consultations have begun under Article 20.3.2(a), no consultations on the same matter may be entered into under this Article.
- (b) If a Party requests consultations pursuant to Article 20.3.2(a) more than 60 days after the commencement of consultations under paragraph 1, the Parties may agree at any time to refer the matter to the Joint Committee pursuant to Article 20.4.2(a).

5. Articles 20.3 and 20.4 (Consultations & Additional Dispute Settlement Procedures) shall not apply to a matter arising under any provision of this Chapter other than Article 17.2.1(a).

Article 17.7: Definitions

For purposes of this Chapter:

labor laws means a Party's statutes or regulations, or provisions thereof, that are directly related to the following internationally recognized labor rights:

- (a) the right of association;

² If, on the date a Party delivers a request, the Parties have not established the Subcommittee, they shall do so during the 30-day period described in this paragraph.

DRAFT
Subject to Legal Review for Clarity and Consistency

- (b) the right to organize and bargain collectively;
- (c) a prohibition on the use of any form of forced or compulsory labor;
- (d) labor protections for children and young people, including a minimum age for the employment of children and the prohibition and elimination of the worst forms of child labor; and
- (e) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

for Singapore, **minimum wages** means wage guidelines issued by the National Wages Council (NWC) and gazetted under the Employment Act; and

For the United States, **statutes or regulations** means acts of the U.S. Congress or regulations promulgated pursuant to an act of the U.S. Congress that are enforceable, in the first instance, by action of the federal government.

DRAFT
Subject to Legal Review for Clarity and Consistency

ANNEX 17 A

UNITED STATES – SINGAPORE LABOR COOPERATION MECHANISM

1. **Establishment of a Labor Cooperation Mechanism.** Recognizing that cooperation provides enhanced opportunities to improve labor standards, and to further advance common commitments, including the June 1998 ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, the Parties establish a Labor Cooperation Mechanism.
2.
 - (a) **Organization and Principal Functions.** The contact points established under Article 17.4.2 shall serve as the contact points for the Labor Cooperation Mechanism
 - (b) Officials of the labor ministries and other appropriate agencies and ministries, shall cooperate through the Labor Cooperation Mechanism to:
 - (i) establish priorities for cooperative activities on labor matters;
 - (ii) develop specific cooperative activities in accord with such priorities;
 - (iii) exchange information regarding labor law and practice in each Party;
 - (iv) exchange information on ways to improve labor law and practice, including best labor practices;
 - (v) advance understanding of, respect for, and effective implementation of the principles reflected in the ILO Declaration of Fundamental Principles and Rights at Work and its Follow-up; and
 - (vi) develop recommendations for their respective governments for consideration by the Joint Committee.
3. **Cooperative Activities.** Cooperative activities to be undertaken by the Labor Cooperation Mechanism may include the following subjects:
 - (a) **fundamental rights and their effective application:** legislation, practice and implementation related to the core elements of the ILO Declaration on Fundamental Rights at Work (freedom of association and the effective recognition

DRAFT
Subject to Legal Review for Clarity and Consistency

of the right to collective bargaining, elimination of all forms of forced or compulsory labor, abolition of child labor including the worst forms of child labor in compliance with ILO Convention No. 182, and elimination of employment discrimination);

- (b) **labor management relations:** forms of cooperation and dispute resolution among workers, management and governments;
- (c) **working conditions:** occupational safety and health; prevention of and compensation for work-related injuries and illness; and employment conditions.
- (d) **unemployment assistance programs and other social safety net programs**
- (e) **human resource development and life long learning;**
- (f) **labor statistics;** and
- (g) such other matters as the Parties may agree.

4. Implementation of Cooperative Activities.

- (a) Cooperative activities agreed upon under paragraph 3 may be implemented through:
 - (i) exchanges of delegations, professionals and specialists, including study visits and other technical exchanges;
 - (ii) exchange of information, standards, regulations and procedures, and best practices, including publications and monographs;
 - (iii) organization of joint conferences, seminars, workshops, meetings, training sessions, and outreach and education programs;
 - (iv) development of collaborative projects or demonstrations;
 - (v) joint research projects, studies, and reports, including through engagement of independent experts with recognized expertise; and
 - (vi) other forms of technical exchange or cooperation that may be decided.

DRAFT
Subject to Legal Review for Clarity and Consistency

- (b) In identifying areas for cooperation and carrying out cooperative activities, the Parties shall consider views of their respective worker and employer representatives.